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/ Covering 1947/. (Translation specifically requested.)

After the adoption of the currency policy in 1935, the cost-of-living index rose year after year. In 1946, the city government began publishing a monthly table as follows: (see following page)

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1946	Food	Shelter	Clothing	Sundry	Combined Index
Jan	90,898.13	111,559.08	331,239.81	126,990.03	106,245.41
Feb	171,163.57	179,273.84	472,737.99	206,288.47	184,572.57
Mar	246,822.24	310,963.35	622,727.81	309,502.18	273,422.16
Apr	245,977.49	303,851.63	502,685.99	297,816.82	269,430.42
May	451,313.66	294,674.01	518,379.91	325,110.90	409,378.66
Jun	438,459.19	300,479.04	573,595.34	336,548.91	404,065.39
Jul	490,877.22	336,924.74	600,508.00	321,268.54	449,420.28
Aug	488,542.07	355,876.97	619,461.43	364,724.61	453,674.62
Sep	543,708.87	397,023.95	735,136.83	395,922.12	496,739.70
Oct	564,913.63	363,733.09	1,022,807.86	404,580.06	521,855.67
Nov	594,879.06	468,624.68	1,027,508.01	440,638.01	568,464.24
Dec	613,248.46	714,551.18	1,197,169.94	533,160.12	647,032.91
Jan 47	765,877.80	819,360.11	1,343,315.87	750,301.56	794,555.78

Combined index is obtained by the formula: quantity of food times basic index, cost of food (not given above) plus quantity of shelter times basic index, cost of shelter, etc., divided by quantity of food times current cost of food, etc.

However, actual outlays ran ahead of the published figures, and a committee representing citywide labor asked for a share in formulating the index. Thus matters stood in January 1947.

#### C. Freezing of the Index

On 16 February, the Emergency Economic Decrees were issued under five statutes, of which the fourth was of most concern to labor. It fixed the index and wages at the January level, allowing rations of food, cloth, and fuel to factory workers at January prices. The index was discontinued but each month a chart was published showing the increase or disparity in prices, and the deficit of each worker. In March, the workers petitioned for a return to the index regime.

#### D. Unfreezing of the Index

After the emergency decrees, prices did not come down. On the contrary, about mid-April there was a sharp upturn. Labor bombarded the capital with petitions for relief. On 10 May, the index was reinstated as a basis for calculating wages, and rationed selling was abolished. The above result was brought about not only by the fact of high prices, but also by the unity of the workers in making this demand.

#### E. Indices After the Unfreezing

With the index restored, many mill owners felt their burdens were too heavy; but after 6 months both sides were better satisfied with the system, especially after its details had been explained by the Chief of the Compilation Office. Here follow the figures for the remainder of 1947:

1947	Food	Shelter	Clothing	Sundry	Combined Index
May	25,233	14,701	23,998	21,826	23,534 times
Jun	27,600	17,300	39,200	23,300	25,300 "
Jul	29,300	22,500	54,200	31,400	28,700 "
Aug	32,800	21,100	56,700	34,900	31,000 "
Sep	36,200	23,400	64,000	37,200	34,400 "
Oct	50,400	33,000	108,200	53,300	49,100 "
Nov	52,700	39,000	110,200	51,900	53,100 "
Dec	70,700	46,400	157,200	71,200	68,200 "

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F. Investigation of the Index by the Unions

The January strike in September put out as a protest that the index was inaccurate; but figures gathered by the unions and those of the government were found to be very nearly the same. For September the respective combined indices were 34,728 and 34,400, a difference of less than one percent. However, for greater refinement, Shanghai was divided into five districts and 72 observation points, and much more data were collected by the workers themselves.

II. RELIEF OF THE UNEMPLOYEDA. Unemployment in Shang-hai

Despite loud appeals for remedy, the number of idle increased after the Japanese surrender. About that time there were 124,533 persons out of work, 61,029 of these because the mills had closed down. By the second postwar year, the number of idle was estimated at 160,000. The causes of this increase were political rather than economic. Due to the civil war, supplies were cut off, and the mills could not reopen.

B. Founding of the Aid Society

This is the sole agency in Shang-hai helping the unemployed. It was formed in September 1946 by a merger of about a dozen interested bodies, but being limited in resources, it could not greatly extend its scope of action. It depended entirely on the distribution of UNRRA flour. After UNRRA terminated its work in June 1947, the Aid Society carried on a few months, disbanding in October of that year. Its activities in 1947 are related below.

C. Temporary Asylum

Since only a fraction of the 360,000 idle could be helped, the Aid Society confined its efforts to providing for indigent refugees from the interior, stranded in the big city. Temporary shelter was furnished for 300 to 2,500 of these unfortunates, UNRRA giving flour and city funds paying for other food. In October 1947, they were sent away with a maximum of food and clothing.

D. Special Relief Measures

From January to March 1947, the Aid Society distributed UNRRA flour to a total of 28,865 refugees and unemployed, each person averaging 6 1/2 bags. In June, some idle were put on public works and paid in flour. During the summer, about 300 families were sent back home with a few supplies.

E. Co-operative Factories

A project of reopening three silk mills on a joint worker-government basis was tried, but could not be maintained. One reason for failure was the inability to obtain daytime electric power.

F. Re-employment

The Aid Society was much interested in this important objective, but with meager effectiveness, only 336 persons being placed in the 2 years 1946 and 1947.

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C. Not an Isolated Problem

Beside the above, the city government made efforts to link re-employment with the assignment of increased electric power, a rationed commodity. But factories had other difficulties, too, so that few actual benefits flowed from this policy. Unemployment is not a solitary, local problem, but is bound up with national peace and unity.

III. WORKERS' INCOME TAXA. Workers' Income Tax for 1946

After considerable debate, workers' income-tax payment was temporarily postponed beginning with December 1946. The rates published on 16 April 1946 were to be paid through 30 September, and after that reduced one half.

B. Workers' Income Tax for 1947

In May 1947, mill owners were ordered to withhold income tax from workers' wages. This action aroused considerable protest, and much bargaining ensued between labor spokesmen and the Ministry of Finance. These discussions concerned the rate, exemption level, and date of inception. Finally, on 7 November 1947, the following decisions were announced by the Ministry:

1. Taxes for the first 6 months of 1947 will be remitted.
2. Past taxes for July, August, and September are to be returned, respectively, when those for October, November, and December are paid.
3. Only incomes above 1,051,000 yuan are taxable. The rate curves upward from .007 in the lowest bracket to .10 in the highest.

IV. A YEAR'S FUNCTIONING OF THE SHANG-HAI GENERAL LABOR UNIONA. The General Union After Demobilization

The Shang-hai General Labor Union was organized in June 1925 as a federation of existing labor groups. Much leftist agitation accompanied the troublous times of March 1927, so on 12 April the General Union was dissolved. On 28 August 1929, under government auspices, it was formed again. By 1933 it was firmly established. From 1931 to 1937, the Union aided soldiers in Manchuria; during the war years it promoted guerrilla warfare and underground resistance. After the Japanese surrender the Union took on new life under strong leadership.

B. Present Tasks of the General Union

The General Union is now duly constituted as embracing all regularly organized labor unions in the city, and is fully equipped with an apparatus of committees. Its objectives include: (1) finding employment, (2) workers' welfare, (3) manifold co-operatives, (4) workers' education, (5) libraries and reading rooms, (6) publication, (7) fellowship and amusement, (8) settling disputes among members, (9) labor-capital conciliation, (10) influencing legislation, (11) economic studies, (12) improvements along various lines, (13) supervision of member unions, (14) other matters of administration and assistance.

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C. Organized Activities During the Year

1. On 6 September 1946, there were 278 member unions representing 227,949 persons; by the end of July 1947, fully organized unions numbered 453 with 527,499 members.

2. The General Union's Boy Scouts were organized during 1947, receiving recognition as China Troop No 6262. On several public occasions these scouts acted as guards and patrols to preserve order.

3. The General Union's work for the year may be summed up under the following heads: (1) completing the organization of Shang-hai workers, (2) helping labor disputes, (3) admitting member unions, (4) effecting over-all registration, (5) preparing labor statistics, (6) aiding discussion in locals, (7) training of secretaries of locals, (8) making reports, (9) maintaining the scout troop, (10) publishing labor regulations.

D. Welfare Work

The following activities were carried on throughout the area:

(1) workers' schools, (2) small loans, (3) finding employment, (4) group marriages, (5) clinics, (6) second labor athletic meet, (7) ping-pong tournament.

E. Propaganda Functions

1. Workers' Radio Station

2. Traveling Picture Shows

F. Research on Workers' Cost-of-Living Index

In July 1946 the government index was 44,942,028 (100 as base), and in September it was 49,673,970. During the same period prices soared viciously. There was wide spread suspicion of these figures. On 19 October, a committee was set up to make an independent study of the cost of living for a comparison, and to offer suggestions to the Bureau of Social Affairs.

G. Research Into Labor Regulations

The Union appointed a legislative research committee to keep labor laws up to date and protect workers. They expressed to the central authorities labor's views on laws concerning unions, factories, inspection, conscription, and national, or patriotic service by laborers.

H. Celebration of the May 1st Labor Festival

This celebration at the Shang-hai Race Course was attended by 50,000 laborers and many notables. Ku Chen-kang, head of the Social Affairs Ministry, assured workers of the government's interest in their welfare. Many other features enlivened the day at this giant gathering and at local headquarters throughout the city. The meaning of the Festival was explained over many radio stations.

I. War Honors to Laborers

Badges and medals were presented to 29 war heroes from the ranks of labor on 1 May, and again to 40 war heroes on 6 November.

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J. Third Labor Convention

This meeting drew an attendance of more than 1,000, including many government officials. Ku Chen-kang, head of the Ministry of Social Affairs, urged the workers to (1) oppose the Communists, (2) maintain orderly production, (3) participate in the national elections. Many important matters were discussed, the main two of which are treated in the following sections.

K. Building of a New Headquarters

At the convention it was decided to erect a new union hall on a 5-mou [one mou equals .15 acre] site at 940 Chang-te Road in West Shang-hai. Funds were to be raised by each worker contributing a day's wages. It was expected that construction could begin in the spring of 1948.

L. Rationing of Necessities to Workers

The rationing system, when introduced in Shang-hai, was crude and incomplete. The convention called for various clarifications and adjustments. The net result was that all laborers in the city, including ricksha coolies, received equal treatment in rationing.

V. INTERNATIONAL LABOR ACTIVITIESA. China Branch of the International Labor Office

This Branch was established at Shang-hai in 1930, simultaneously with an India Branch at New Delhi. Its work is mostly research and publication. Special events in 1947 were:

1. A visit to Shang-hai and Hanking in March by two representatives of the ILO, with a detailed study of labor conditions.
2. The Steelworkers' Congress in Stockholm on 19 August was attended by five delegates from China, two representing government, two labor, and one capital. This was the first time Chinese laborers had attended an international congress.
3. On 27 October a preparatory congress of Asiatic workers was held in New Delhi, attended by a delegation from China.

B. Asiatic Labor Preparatory Conference

A preliminary survey of the situation in Asia was made in 1928, before any decision had been taken to organize Asiatic labor.

At the 1944 meeting of the ILO in Philadelphia the following resolutions were passed: (1) an Asiatic Labor Conference shall be called as soon as the war with Japan is over, (2) a preparatory conference shall be held in India in 1947, (3) a formal conference shall be held in China in 1948 (now changed to 1949), (4) before the preparatory conference four study groups shall be organized.

Four important problems were then placed on the conference agenda: (a) social order in Asia, (b) general labor policy in Asia and its implementation, (c) speedy activation of the agreements and recommendations of the ILO, which have not yet been approved and put into practice by the

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nations concerned, (d) social policies in Asia, and their economic background, including industrialization.

On being apprised of these resolutions by the ILO, the Social Affairs Ministry of the Chinese Government sent out in August a questionnaire to labor circles throughout the nation, and assembled a committee of experts for research. The questionnaire dealt with (1) agriculture: how to raise farmers' income and get farm products to market; (2) industry: how to industrialize farming and increase production of export and consumer goods; (3) man power: how to use the residue of persons for further production.

On 17 October a delegation sailed from Shang-hai for India comprising the persons named below.

Labor Representatives: Liu Sung-shan, Liang Yung-chang, and Mu Kuang-lo. Government Representatives: Pao Hua-kuo, and Chang T'ien-k'ai. Advisers: Fang I-chi, Ha Hsiung-wen, Kan Yun, Wu Hsiu-feng, Wang Shih-ying, and Wang Cheng-ku'ai. Capital Representatives: Wu Yun-ch'u, T'ien Ho-ch'ing, Lu Wen-hsien, and Wang Chin-piao.

Our delegation attained unprecedented honors in the conference. The delegation chief was elected vice-chairman. Government, labor, and capital members in turn made definite proposals looking toward the development of industry and better living standards for workers. Particular mention was made of economic rehabilitation in Japan as a preventive against future aggression.

The conference met in New Delhi on 27 October, with sessions lasting one week. Eighteen countries were represented with a total of 224 delegates. Twenty-three resolutions were passed, all broadly and deeply concerned with the interests of labor, in a spirit of cooperation with the ILO.

#### C. Activities of Foreign Labor Attaches

After World War II various nations appointed labor attaches in China, a proof of the regard they have for the workers' movement. In 1946 such attaches were appointed by Britain, the United States, and Argentina.

E. Hunt, the British attaché, has maintained very amicable relations with the Shang-hai General Labor Union, and given his time largely to gathering statistics.

The American labor attaché is Vice-consul W. R. Etter acting in that capacity. His public appearances are few but he compiles very detailed reports.

Argentina's attaché is Dela Torre, an appointee of the Peron regime. He is on very friendly terms with the Shang-hai labor world.

Other embassies are without labor attaches, those functions being performed by the commercial attaches.

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## VI. SECURING OF LABOR DELEGATES TO THE NATIONAL ASSEMBLY

After the government convened a National Assembly on 12 November 1946 and passed a constitution, political power began to be returned from the KMT one-party government to the people. This was the end of political tutelage and the beginning of constitutional government. As provided in the constitution, delegates to the National Assembly, and members of the Legislative Yuan could only be named by legal election in every place and from all classes. So from 21 to 23 November 1947, ballots were cast throughout the nation. By the same procedure Shang-hai's labor delegates to the National Assembly were smoothly and legally elected.

Regulations issued on 5 July 1947 provided the following distribution of seats in the National Assembly: (1) peasants' (including fishers') unions, 144; (2) labor (including special) unions, 126; (3) commercial (including export) associations, 13; (4) manufacturing (including mining) associations, 18; (5) educational (including professors') associations, 90; (6) free occupations, 59.

In this scheme, Shang-hai labor was entitled to ten delegates, one to be a woman. Local details were to be worked out by the Bureau of Social Affairs.

On 20 August, statistics of the electorate were published as follows:

Type	Group Units	Individuals
Labor	401	527,499
Industry and Trade	207	244,681
Free Occupations	10	9,478
City peasants	16	76,733
Fishermen	1	17,160
Educators	9	52,136
Women	11	78,604
Total		1,006,291

By the above figures, laborers having the franchise are shown to be a little more than half the total. By 18 November they had received 520,000 blank tickets, and on the morning of 21 November balloting began.

Eighteen candidates had been put up, whose names were posted over the door of each of the ten polling places. Balloting proceeded in an enthusiastic and orderly manner. At noon of 23 November the polls were closed. A total of 492,798 votes were cast by labor.

On 24 November, the boxes were formally opened in the Chamber of Commerce Hall with all election judges on hand. Of the ballots, 260 were thrown out as defective, leaving 492,538 qualified ballots. Names of the successful candidates follow: Chou Hsieh-hsiang, Shui Hsiang-yü, Yeh Hsiang-kao, Lu Yin-oh'u, Fan Hsi-p'in, Ch'ao Pan-fu, Fan Ts'ai-ku'e'i, Fang Ju-sheng, and Wu Yieh-chen (women) /only nine given/.

With the legal announcement of the results on 3 December, the Shang-hai labor delegation to the National Assembly was formally constituted.

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## VII. THE FIFTH POSTAL WORKERS' CONVENTION

A. Brief History of the National Postal Workers' Union

This body was formally set up on 1 December 1929, out of some 20 regional unions, those of Shang-hai and Nan-ching (Nanking) being chosen to take the lead in organizing. It now has 24 regional unions covering the entire country.

During the war, postal workers rendered faithful service to the nation at no little cost to themselves. The fourth convention was held in Ch'ung-ch'ing (Chungking), the wartime capital. With the cessation of hostilities, headquarters were moved back to Nan-ching (Nanking), and the fifth convention later met in Shang-hai.

B. The Fifth Convention

This gathering convened in Shang-hai on 9 December, and lasted more than a week. It was attended by some 150 delegates, and several high government officials. Thirty-three resolutions were passed, almost all of them being concerned with remuneration and benefits. A draft constitution also was adopted.

C. Election of Officers, and Manifesto

At the final session on 17 December, an address was delivered by Mr Lu Ching-shih, Vice-minister of Agriculture and Industry, urging loyalty to the Three People's Principles, and faithful observance of postal service traditions.

A Board of Control was then chosen, with 31 members and 15 alternates; and a Board of Reference, with nine members and four alternates.

On 18 December the convention issued a manifesto, the gist of which is as follows.

At this grand historic convention we have formulated the following objectives:

1. Under the new law passed in June 1947, we apply for recognition as a national federation of postal workers' unions, which gives us legal status and protection. We urge the forming of a world federation of postal workers.

2. Our postal workers' movement is part and parcel of the people's revolution and of the labor movement. We join with other workers to constitute a nationwide labor organization to support the new constitution, and to work for a new China based on the Three Principles.

3. Reforms in the postal service are needed and we desire that the postal authorities, at an early date, call a conference to consider suggestions for improvement.

4. In view of continual price-inflation, we call upon the postal administration to promote welfare projects, fix wages in accord with a true cost-of-living index, and maintain fair treatment for all persons in the service.

It is hoped that our members everywhere will earnestly strive for these objectives.

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